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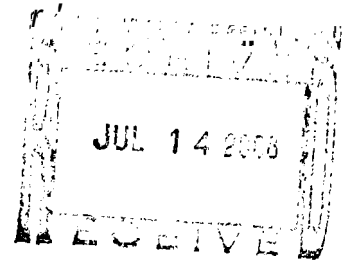
Post Office Box 1028
Beaufort, S.C. 29901-1028

HARBOR ISLAND UTILITIES, INC.

(843) 982-0405 fax: 982-0707

July 10, 2008

Mr. Charles Terreni
Chief Clerk
Public Service Commission of South Carolina
P.O. Drawer 11649
Columbia, SC 29211



Re: Harbor Island Utilities, Inc. Rate Case Docket No. 2007-243-W/S

Dear Mr. Terreni:

When the Public Service Commission of South Carolina approved our new rates last December, they included a provision that allows us to pass through rate increases we incur.

We recently received notice from the Fripp Island Public Service District (FIPSD) that effective July 1, 2008, our water cost will increase by \$0.01 (1¢) per thousand gallons. In that notice, FIPSD also notified us that our cost to dispose of treated wastewater would increase by \$0.01 (1¢) per thousand gallons. Please see the attached copy of FIPSD's letter.

Our sewer rate is based on a daily average household usage of 300 gallons per day; the monthly sewer charge therefore will increase by 9¢ to \$37.09.

We must provide you a 60-day notice and we must provide our customers with a 30-day notice. The notice to customers will be sent with the bills that we send in mid-August.

Please accept this letter as your official 60-day notice.

Please let me know if you need any additional information.

Sincerely,

Robert G. Gross
President

Enclosure - Notice from the Fripp Island Public Service District

Copies: Office of Regulatory Staff (with enclosure)
Mr. J. Thomas Mikell, Esquire (with enclosure)



FRIPP ISLAND

Public Service District

291 Tarpon Boulevard
Fripp Island, SC 29920

(843) 838-2400
Fax (843) 838-4900

June 11, 2008

Mr. Robert G. Gross
The Beaufort Group, LLC
P.O. Box 1028
Beaufort, SC 29901-1028

**Re: Harbor Island Utilities, Inc.
Annual Water Transportation Fee Adjustment &
Annual Effluent Disposal Fee Adjustment
File #102-05**

Dear Bob:

Effective July 1, 2008, the water transportation fee for water delivered to Harbor Island Utilities, Inc. will increase from \$0.28 per thousand gallons to \$0.29 per thousand gallons. The Commission for the Fripp Island Public Service District approved the new rate during the June 10, 2008 meeting in accordance with the March 24, 1999 Water Service Agreement. By copy of the enclosed letter, BJW&SA has been made aware of the new rate.

Effective July 1, 2008, the effluent disposal fee will increase from \$0.06 per thousand gallons to \$0.07 per thousand gallons. The Commission for the Fripp Island Public Service District approved the new rate during the June 10, 2008 meeting in accordance with the March 30, 2004 FIPSD – HIU Settlement Agreement.

Sincerely,

FRIPP ISLAND PUBLIC SERVICE DISTRICT

Marion E. Wilson
Manager

Enclosure